



Leading learning and skills

Framework for Excellence

Pilot Evaluation

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Introduction

- 1 The Framework for Excellence (the Framework) is a comprehensive performance assessment framework for the Further Education (FE) system. The main aims of the Framework are to provide a single, unified framework for assessing and reporting achievement in all key areas of performance. The Framework is being developed by the LSC, in partnership with the Department for Innovation, Universities and Skills (DIUS), Ofsted and the Quality Improvement Agency (QIA).
- 2 From June 2007 to April 2008, the LSC engaged with 100 learning providers to test and trial the Framework as a 'pilot programme' in readiness for the Framework's implementation (Version 1) in the summer of 2008. The LSC and its partners are particularly grateful for the efforts and participation of the pilot providers. A full list of providers who took part in this phase of development and piloting can be found in Annex 8.
- 3 The aims of this evaluation are to report on whether: a) the pilot met its objectives; b) stakeholders have been engaged effectively; and c) the pilot process has been effective. An independent review of the Framework and its outputs will be undertaken during 2008.
- 4 KPMG has supported the LSC throughout the pilot programme, working directly with pilot providers. The LSC has used evidence supplied by KPMG, together with data and information collected from providers and stakeholders, to shape this report. KPMG's work was undertaken under terms of reference agreed with the LSC and KPMG accepts no responsibility for its contribution to this report, other than to the LSC.

Executive Summary

- 5 The Framework for Excellence is a comprehensive performance assessment tool for the FE sector. It aims to give a balanced assessment of performance for providers in the sector that receive LSC funding.
- 6 This report is an evaluation of the pilot for the Framework. The pilot ran from June 2007 to April 2008 and involved 100 providers, mainly general FE colleges, sixth-form colleges and other work-based learning providers.
- 7 Specifically, this document examines whether the pilot met its objectives, whether stakeholders were engaged effectively and whether the pilot process has been effective. There were six objectives for the pilot, as outlined in the June 2007 policy document, *Framework for Excellence: How the Framework Will Work*:
 1. *To report on the validity and accuracy of the data, the distribution of scores for each component of the Framework, and their correspondence with inspection grades and other evidence;*
 2. *To test the validity and robustness of performance indicators proposed for use in the Framework;*
 3. *To engage with learners and employers;*
 4. *To develop rules and criteria for the application of the Framework;*

5. *To compare overall performance ratings with inspection judgements and assessments of quality and performance; and*
 6. *To explore links between the Framework and provider self-assessment. (Note: This work is continuing and is not covered by this report.)*
- 8 Overall, the LSC considers that the pilot has been broadly successful in meeting or making good progress towards these objectives, although some issues remain to be clarified and there are several challenges that need to be resolved as the Framework is implemented in 2008/09. There has been an inclusive approach to stakeholder consultation, although some engagement could have been more effective with some groups.
 - 9 The pilot has been completed to the agreed timescale with indicative overall performance ratings (OPRs) calculated for pilot providers by the end of March 2008. The LSC has developed a model that uses various rules to grade and combine nine performance indicators into the OPR.
 - 10 In the course of this developmental work, several issues have emerged which are being addressed in readiness for full implementation in 2008/09:
 - Technical challenges relating to the composition of some performance measures, for example Learner Views and Employer Views, combining grades to an overall rating in a way that is logical and transparent, and collecting data in a cost-effective way;
 - Ensuring high data quality. Survey instruments need to be applied rigorously and consistently, and the LSC and Ofsted are working together to ensure there is an appropriate treatment of success rates;
 - Creating a level playing field between providers, including the treatment of missing data, exemption rules, taking account of contextual factors that are outside the control of providers, and ensuring that providers are not penalised for pursuing good practice, for example when capital developments lead to poor financial ratios.
 - 11 The pilot tried to adopt an inclusive approach to involving stakeholders and has involved significant resources in running events and forums to canvass ideas and gather feedback as the pilot Framework has been developed and applied. While some aspects of this strategy could have been improved, it appears to have been broadly successful.
 - Pilot providers have been given many opportunities to participate and input to the pilot through: (1) regional events at the beginning, middle and end of the pilot programme, (2) development groups to consider specific performance indicators or cross-cutting issues, and (3) a helpline/contact point through which to express views and ask questions;
 - The LSC's main partners (DIUS, Ofsted and QIA) have been engaged throughout the pilot programme in the governance machinery and have made contributions at a strategic, operational and tactical level;
 - The LSC's regional and local staff were intentionally brought into the pilot programme in its latter stages, only when it was becoming clear what the

overall shape of the pilot Framework would look like. Ultimately, these staff have a critical role to play in the roll-out of the Framework. With hindsight, earlier involvement might have been advisable;

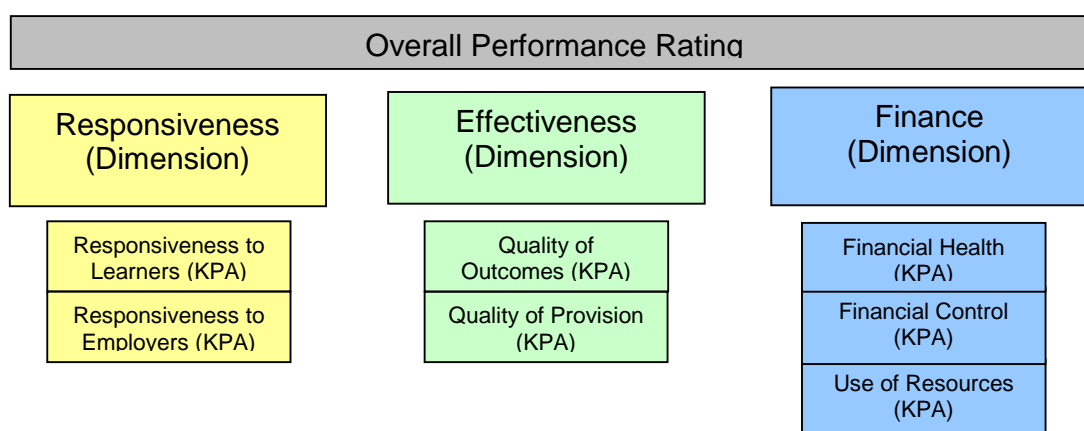
- The LSC has consulted with and involved other stakeholders on an informal basis, some of which have had regular involvement through the FfE Inspection and Regulation Stakeholders Group (IRSG).
- 12 The pilot process appears to have been a fairly effective, if time-consuming process. As a result of the pilot, the LSC and its partners are much clearer about the potential issues which may be faced by the sector when the Framework is applied fully. Also, the LSC now has a better understanding of the support needed by stakeholders to ensure the Framework develops into a robust performance assessment tool.

Background

Framework for Excellence

- 13 The vision for the Framework is that it should be formed from a core set of robust and verifiable indicators. These indicators should combine in a clear and transparent way to provide an OPR for each provider. The Framework would therefore supply an independent, quantitative assessment of the performance of those providers that comprise the sector
- 14 The Framework for Excellence uses a four-point scoring system, in line with the Common Inspection Framework. Grades are categorised as outstanding, good, satisfactory or inadequate.
- 15 Figure 1 shows the construction of the Framework in terms of its hierarchy. The OPR is derived from the grades for three dimensions (Responsiveness, Effectiveness and Finance) and in turn these grades are derived from the grades of seven key performance areas (KPAs); two each for Responsiveness and Effectiveness and three in the case of Finance.

Figure 1- The Framework for Excellence hierarchy



Detailed information on each of the KPAs can be found in Annexes 1 – 7 of this report.

The Pilot Project

- 16 The pilot was led by the LSC and consisted of 100 providers, over 80 per cent of which were general further education colleges, sixth-form colleges or other work-based learning organisations, with the remaining providers coming from a range of provider types that will come into scope of the Framework over the next two years. Broadly, pilot providers were geographically representative by LSC regions as shown in Table 1.
- 17 The sample of providers used for the pilot was not fully representative of the full spectrum of performance, as those providers with an Inadequate inspection grade (grade 4) were not invited to participate as it was felt that such providers should not be diverted from urgent improvement activity.

Table 1. Geographical representation by provider type

Provider Type									
Region	Former External Institution	General Further Education College	Higher Education Institution	Local Authority	Sixth Form College	Independent Specialist College	Specialist Designated College	Other Work-based Learning	Total
East Midlands		5		1	2		1	1	10
East of England		3			2			3	8
London		4	1		2	1	2	3	13
National Employer Service								3	3
North East		2		2	1			4	9
North West		5			4			3	12
South East		10			3	1	1		15
South West	1	4			1			4	10
West Midlands		2			3	1	1	2	9
Yorkshire & Humber	1	3	1		2	1	1	2	11
Total	2	38	2	3	20	4	6	25	100

- 18 Although the pilot project officially began in June 2007, it was preceded by a testing and trialling period from March to May that year. The LSC invited a representative sample of providers to three regional events to outline its plans and encourage them to participate in a series of working groups over the following six weeks. These groups, typically chaired by a regional LSC senior manager, for example Regional Directors of Learning and Quality, reported their findings and conclusions to the LSC in early May. The constructive feedback and challenges from these groups provided the LSC's national team with a significant amount of advice on developing the Framework.
- 19 The pilot was launched formally at three regional events in July 2007, following the publication of *Framework for Excellence: How the Framework Will Work* in June. For the 100 pilot providers, these were scene-setting events, setting out the construction of the prototype Framework, their roles and responsibilities, and the support arrangements they should expect. Of particular note, each pilot provider was asked to nominate a liaison officer, who would be the single conduit for all information passing between the LSC

and the provider (with the exception of technical matters relating to the learner and employer survey instruments).

- 20 In autumn 2007, the LSC continued with the development of performance indicators and, where they were at an advanced stage, began the collection of data. The LSC set a target date of 29 February 2008 for all data pertaining to the pilot performance indicators to be assembled, validated and available to contribute to the pilot OPRs in spring 2008.
- 21 During November 2007, the LSC held three regional mid-pilot events to report generally on progress but also to obtain collective feedback on pilot providers' experiences to date.
- 22 From July 2007 to March 2008, senior LSC staff visited over half of all pilot providers, for discussions with the principal, or chief executive, and members of their senior management teams.
- 23 In March 2008, the LSC carried out intensive analysis on the information and data received and input it to the prototype Framework model. Following rigorous scrutiny, including sensitivity analysis, each pilot provider's Framework output was disseminated to that provider on 26 March 2008. Each provider's results were treated as confidential to that provider.
- 24 In the last two weeks of April 2008, the LSC held two regional end-of-pilot events to report on the output of the Framework, hear the experiences of a sample of pilot providers, review in detail the state of development of some key performance areas, and set out the next steps. The pilot formally ended on 30 April 2008.

Have the objectives of the pilot been met?

- 25 This section looks at the first five key objectives (paragraph 7) and evaluates the progress of the pilot in meeting each of them.
- 26 The LSC considers that quite good progress has been made towards achieving objectives 1, 2, 4, and 5. Also, it believes that the work so far has demonstrated that the Framework structure is broadly sound. However, more development work is required, specifically on the combination rules leading to an OPR, ensuring the statistical robustness of the performance indicators relating to Employer and Learner Views, and devising an appropriate indicator for the amount of employer-focused training.
- 27 There has been rigorous testing and development of national existing datasets and new learner and employer data. There has also been extensive testing, modelling, and modifications to performance indicators, many as a result of consultation with pilot providers. The rules and criteria for the Framework continue to be developed by the LSC and partner organisations.
- 28 Engagement with learners and employers was undertaken towards the end of the pilot. Their views, particularly on the type, level and distribution of information will be used to develop the Framework into and beyond Version 1.

Objective 1 - To report on the validity and accuracy of the data, the distribution of scores for each component of the Framework, and their correspondence with inspection grades and other evidence

29 The LSC considers that this objective has been successfully achieved. The LSC and its partners have undertaken extensive work to test the accuracy and validity of the data used to inform performance indicators. The pilot used data from either available national datasets, or new data sets generated during the pilot.

Existing Datasets

30 Data and evidence are collected from providers as part of their contract with the LSC. Ofsted provided the latest inspection outcomes on each provider. Providers were not asked to re-submit datasets which were already held centrally. The LSC recognised that in some cases there are data issues, some of which are already known within the sector:

- The Learner Aims Database (LAD) has some incorrect or missing qualification reference numbers;
- The Qualification Success Rates are in some instances handled differently by the LSC and Ofsted;
- The number of learners who prevent future contact through ticking box L27 on their Individualised Learner Record (ILR) restricts contact with significant numbers of learners. Occasionally, providers appear to “block tick” this field on the ILR;
- Annual financial returns submitted by colleges at the end of December each year are not always accurate;
- Annual financial returns submitted by non-colleges do not contain the same level of detail as those for colleges.

New Datasets

31 The pilot has generated three new datasets relating to Learner Views, Employer Views and Learner Destinations. While these have provided both useful data for the pilot and a basis for future work, they also revealed weaknesses in design and operation that will need to be addressed during the next few months.

32 The main concerns relating to the future use and application of these datasets are summarised in Annexes 1-7.

Missing Data

33 The LSC fully recognised that pilot providers were volunteers. Therefore the LSC requested, but did not compel, any provider to undertake or collect pilot data to inform the performance indicators. There were various reasons why some providers did not submit data, including having incomplete information, an unwillingness to administer a survey at relatively short notice, confusion on the timescales, or the performance indicator did not apply to that type of provision and they were therefore exempt. The LSC will state, in its forthcoming guidance on Version 1 of the Framework, how it will handle cases where data is unavailable for providers.

34 Table 2 below shows the number of providers who had missing data under each performance indicator:

Table 2. Missing data by performance indicator

Performance Indicator	Available data	Missing data	Exempt providers	Comments/reasons for missing data/exemption
Learner Views	87	13	0	Providers unwilling or unable to carry out the survey
Learner Destinations	64	31	5	Unable to contact sufficient learners that were not cross matched with other datasets
Employer Views	49	12	39	Providers with no employer engagement and/or inadequate management information; or have achieved Training Quality Standard
Qualification Success Rates	93	0	7	Providers that do not complete ILRs or do not have qualifications in scope
Quality of Provision	95	0	5	Providers for which no relevant inspection
Financial Health	90	0	10	Mainly local authorities
Financial Control	82	16	2	Inability to complete financial control document by required date
Use of Resources: Revenue	88	1	11	Mainly local authorities
Use of Resources: Capital	66	0	34	Work-based learning providers are currently exempt

Objective 2 - To test the validity and robustness of performance indicators proposed for use in the Framework.

- 35 A number of providers, partners and other stakeholders have expressed views on both the overall structure of the Framework and its constituent PIs. While many people appear to broadly support the Framework design, some have argued that it should be modified significantly.
- 36 With a diverse range of provider types within the pilot, it was always expected that some performance indicators would not be applicable to all providers. For example, some providers deliver provision not included within the Qualification Success Rates category. Exemption rules should be finalised in readiness for Version 1 of the Framework. Table 3 below shows the breakdown and number of providers which had either missing data fields or were exempt from the performance indicator. Taking this into account, of the 100 pilot providers, 68 had no more than one missing performance indicator and only seven providers had three or more missing performance indicators.

Table 3. The number of providers with missing or exempt performance indicators

Number of Missing or Exempt PIs	Number of Providers
0	30
1	38
2	25
3	5
4	2

Objective 3 - To engage with learners and employers

- 37 The pilot has engaged with learners and employers, both directly through focus groups and indirectly through providers and third party organisations such as the National Learner Panel, Sector Skills Councils and the CBI. With hindsight, the pilot might have benefited from more substantial direct learner and employer input.
- 38 Toward the latter stages of the pilot (February/March 2008), a series of learner and employer focus groups were held specifically to ask learners and employers about the usefulness of the data developed and their views on how the Framework results should be published. Outputs from these meetings should be considered for Version 1 of the Framework. The main comments were:
- Employers felt that having an indication of how providers respond to them would be of interest, but they would prefer information which is specific to their particular sector if at all possible. They also felt that the Learner Views survey would be a good indication of how well the provider operates;
 - Employers and learners felt that they would be unlikely to either use or refer to the financial status of a provider;
 - Employers and learners thought that the information should be made available on the provider’s website, and learners thought that they should be able to discuss this with their Connexions or careers adviser before leaving school;
 - Learners thought that the idea of having a learner satisfaction score would be useful to them but that this would be unlikely to inform their decision as to whether they would apply to the provider;
 - Learners also felt that learner destinations would be a good source of information, although they did feel that this information was already available to them through such publications as college prospectuses.
- 39 The LSC recognises that more could have been done to maintain and build on the employer engagement which had taken place as part of the initial Framework consultation period and also to develop further relationships with those employers that had directly contributed to the development of the Training Quality Standard (formerly the New Standard).

Objective 4 - Develop rules and criteria for the application of the Framework

- 40 The LSC considers that the Framework structure appears to be a broadly sound approach for the sector to adopt. The rules and criteria for Version 1 of the Framework should be largely developed in time for the scheduled launch in the summer 2008, although further work is still needed to ensure the combination rules are fair and reflect relative provider performance.
- 41 The timeline for the production of the OPRs has been developed to ensure the Framework becomes an integral part of the LSC's business cycle from 2009 onwards. Closer links between the Framework and Minimum Levels of Performance (MLP) are being developed.

Objective 5 - To compare overall performance ratings with inspection judgements and assessments of quality and performance

- 42 The pilot generated 85 OPRs for those providers that will be in scope for Version 1. Of those 85, three do not currently have an overall Ofsted grade. Table 4 below summarises figures for pilot providers' OPRs and their Ofsted grades for Overall Effectiveness (OE) or, where this is not available, the grade for Leadership and Management (L&M). When considering this table, it is important to recognise that, while the Framework and inspection processes should be complementary and have some overlap, there are significant methodological differences between them.

Table 4. Comparison of providers' Ofsted grades and OPRs (for providers in scope for Version 1)

	OPR and Ofsted grade the same	Different by one grade
Number	54	28
%	66	34

Engaging Stakeholders

- 43 This section of the report considers the extent to which stakeholders have been involved throughout the pilot. In particular, it explores whether stakeholders felt that their engagement was appropriate, timely, and enabled them to contribute to the development of the Framework.
- 44 The pilot has tried to adopt an inclusive approach to involving stakeholders and has invested significant resources in running events and fora to canvass ideas and gather feedback as the pilot Framework has been developed and applied. Although generally successful, this strategy has also had certain less satisfactory aspects.
- 45 Excluding learners and employers (discussed in paragraphs 37 to 39) the Framework pilot has involved three main groups of stakeholders, namely external (mainly national) organisations, providers, and LSC staff.

Table 5. Stakeholder groups

External	Providers	LSC
Government departments	Pilot providers	National Office
Representative bodies Ofsted, QIA and other bodies	Non-pilot providers	Regional staff, for example, Regional Directors of Learning and Quality Partnership teams

- 46 The LSC has kept its stakeholders informed of how the pilot is progressing and made available papers and updates on the LSC website. A series of formal meetings have been held where the Framework’s partners and other stakeholders were kept abreast of progress and consulted on any key issues that needed to be addressed.

External Stakeholders

- 47 The LSC aimed to adopt an inclusive approach from the outset of the pilot. The range of activities, support and attendance from stakeholders and partners has been significant throughout.
- 48 The LSC’s main partners for the Framework have indicated that they had been substantially engaged in the governance of the Framework, including overseeing the pilot; but that at times this function focused too closely on project management rather than developing policy or discussing the impact of the performance indicators. They would have welcomed more opportunity to work directly on the development of the indicators and to work more closely with pilot providers.
- 49 It is broadly accepted by partners that the pilot has been very useful in helping them understand how the Framework will function as an assessment of provider performance in the future. It is also acknowledged that further refinement and development of performance indicators will be needed if it is to be truly effective as a quality improvement tool, for example, the extent to which drilling down of information will be available to providers and other parties. This will be an area which will be further investigated beyond the pilot. Partners are fully committed to continuing to support the LSC and the Framework as it develops to achieve its aims.
- 50 The main partners have been engaged in a variety of ways from the initiation of the Framework programme. The Framework Sponsoring Board and Policy Committee both included permanent representatives from DIUS, Ofsted and the QIA. These organisations also played a part in the pilot launch events and the mid-pilot events. In addition, Ofsted and DIUS are members of the Technical Working Group and an Ofsted HMI has been part-seconded to assist in the development of the Framework.
- 51 The main forums for gathering providers’ and stakeholders’ views have been the Development Groups and the IRSG, chaired by Sir George Sweeney.

Forty-five providers contributed to the Development Groups, in addition to DIUS. The following organisations were invited to join the IRSG:

- Association of Colleges
- Audit Commission
- Cabinet Office
- Federation of Awarding Bodies
- Higher Education Funding Council for England
- Local Government Association
- National Audit Office
- Ofsted
- Quality Assurance Agency
- Qualification and Curriculum Authority
- Quality Improvement Agency
- Sector Skills Development Agency

52 A weekly e-mail bulletin has kept pilot providers and other stakeholders informed of progress and developments throughout the year.

Providers

53 There has been significant effort from the LSC to engage fully with pilot providers throughout the course of the pilot. Pilot providers were given many opportunities to become closely involved in the development of the Framework through regional events, development group meetings and through dedicated contact points for queries. In addition, half of the 100 pilot providers have been visited by the LSC or KPMG.

54 Most pilot providers have confirmed that they are satisfied with the level of information, support and interaction they received during the pilot. A few (mainly small) providers felt that there was too much information and too many requests being made of them.

55 The LSC has also had ongoing communication with the Association of Colleges (AoC) and the Association of Learning Providers (ALP).

The LSC

56 The LSC has implemented a national roll-out programme to inform LSC colleagues of the Framework, its purpose and use in local and regional offices. Three formal training events were held in January 2008 and were well attended. A series of strategic and operational events will be held regionally throughout the summer 2008, together with briefing events for National Office and the National Employers Service.

57 LSC colleagues were kept informed of news and developments for the Framework through regular LSC e-bulletins. About 10 Partnership Managers acted proactively, followed developments and attended provider development meetings and regional events. The LSC has recognised that it could have involved more closely these LSC colleagues who were working with pilot providers.

Was the Pilot Effective?

58 The LSC considers that the pilot should be regarded as effective, given that most of its objectives (see paragraph 7) were achieved.

Results

59 The pilot results were produced within the expected timeframe. These for the 85 pilot providers in scope for Version 1 of the Framework are summarised below:

Table 6. The distribution of pilot grades for each dimension and OPR

	<i>Responsiveness</i>		<i>Effectiveness</i>		<i>Finance</i>		<i>OPR</i>	
<i>Outstanding</i>	25	30%	33	39%	17	20%	22	26%
<i>Good</i>	35	43%	26	31%	57	67%	45	53%
<i>Satisfactory</i>	22	27%	25	30%	11	13%	18	21%
<i>Inadequate</i>	0	0%	0	0%	0	0%	0	0%
<i>Total</i>	82		84		85		85	

Provider Activity

60 For the duration of the pilot the LSC set up and facilitated a series of development groups comprising pilot providers. They were of two types:

- Those focusing on a particular KPA or performance indicator;
- Those focusing on cross-cutting issues, for example dealing with consortia and publication of the OPR results.

61 Also, a National Solutions Group (comprising around 10 per cent of pilot providers) formed in March 2007 continued with an overarching role, and subsequently also addressed the issue of how best to treat contextual factors which may impact on a provider's performance.

62 The pilot achieved the desired level of participation from providers, with 45 per cent attending at least one of the development groups. The National Solutions Group was very effective in enabling LSC to "take the pulse" of pilot providers.

- 63 Providers' activity in helping to assemble the Framework data has focused primarily on the surveys to elicit learners' and employers' views. Some providers took up the option to self-administer these surveys. Later in the pilot providers were asked to complete a Financial Control Evaluation (FCE) document which was subsequently validated by LSC financial staff.
- 64 Providers have indicated that the pilot has been an open and consultative process. At events and development groups many providers have commented on this positive aspect of the process. However, some providers have struggled with the administrative burden of the pilot, for example in assembling data about employer engagement and in completing the FCE document by the LSC's deadline.

Providers' Views

- 65 To help judge the effectiveness of the pilot process, in December 2007 KPMG carried out a telephone survey of the 100 pilot liaison officers on their experience to date. The key findings from this survey were:
- Providers were very pleased to be involved in such a large-scale and fully consultative project. They praised the provider events and the development groups as being very worthwhile but would have preferred them not to have been restricted to three locations (Birmingham, Leeds and London);
 - The costs and burden of administering the Learner and Employer Views surveys were seen as fairly high. Some providers perceived questionnaire fatigue and would like the Framework surveys to be "piggy-backed" onto their own local surveys;
 - A minority of providers, mainly smaller ones, considered the Framework too onerous and time consuming, for example, the work involved in the FCE document;
 - During the pilot there have been several communication channels (periodic events, technical guidance updates, monthly newsletters, weekly e-mail bulletins and a web forum). Although generally appreciated, smaller providers have tended to feel swamped. Also, the web forum has seen little use. In a small number of providers poor internal communication has led to some mixed messages about the development of the Framework.
- 66 Providers' comments at the end of pilot events held in April 2008 tended to reinforce these earlier findings. The LSC also received several comments about specific performance indicators, for example the way in which learner and employer views surveys might be carried out in the future.

Development and positioning of the Framework

- 67 The development of the Framework has required significant investment of time and effort, almost certainly more than equivalent performance

management frameworks in the public sector. There are several reasons for this difference:

- A genuine desire by LSC to be consultative at every stage and involve the provider base and other key stakeholders to the maximum extent;
- The wide variety of organisations to which it will be applied, and the requirement to develop essentially numeric indicators which create a level playing field;
- The need to develop some performance measures from first principles, which have sometimes proved difficult because of the lack of good quality management information; the lack of agreement to share data with other agencies; and the need to trial several options before settling on the best one for Version 1.

- 68 The pilot has enabled the LSC to begin to formulate how it will work closely with other agencies to share data, particularly in relation to Learner Destinations, and also to work towards a coherent approach with Ofsted to treating Qualification Success Rates.
- 69 To be an effective performance assessment tool, the Framework will need to dovetail with other initiatives such as self-assessment reporting and the LSC's intervention strategy. The pilot has enabled the LSC to consult with other agencies around this alignment. It has also enabled them to prepare for the integration of the Framework into its own business cycle.

Concluding Statement

- 70 There has been a significant level of investment of time and resource by both the LSC and pilot providers. Most pilot providers have welcomed and valued the opportunity to be involved throughout and feel that this has been a truly developmental and consultative process.
- 71 The development of some measures to populate the Framework has posed significant technical challenges, some of which remain and will need to be resolved before or during the implementation of Version 1 in 2008/09. The pilot has established a sound starting point for the future of the Framework. However, the LSC needs to continue to work to resolve the issues highlighted through the pilot.

Annex 1 - Responsiveness to Learners KPA

Learner Views

What was achieved in the Pilot?

Ninety-six providers returned data generated by 100,000 priority learners. The pilot compared the use of paper-based and web-based questionnaires. The pilot also enabled the testing of a three-point and a mix of five- and seven-point multiple choice questions. The survey was administered by providers over a six-week period in the autumn term 2007.

What the pilot revealed

The learner views scores had to be standardised because not all learners completed all questions. Each provider's score was expressed in a range of 0 to 100. All providers' scores had to be adjusted to allow for the effect of different responses received according to (1) which method of survey was used, (2) whether a three-, five- or seven-point scale was used, and (3) the level of study. All these factors had a significant effect on the level of satisfaction expressed.

Sample sizes of less than 50 learners produced results with low confidence levels and could therefore not be graded.

Providers' average scores were tightly clustered such that it was difficult to discriminate between them with statistical confidence.

What needs to happen in the coming months?

The LSC has responded to comments from the sector that a provider-led survey would be easier for them to administer by inviting providers to administer their survey voluntarily between February and June 2008. The LSC will need to assess the take-up and results for provider-led learner views surveys. It will then consider how best to capture views for other providers in a compulsory external survey in early 2009. Feedback from providers is that administering the questionnaire during the autumn term overloads learners who are completing their induction.

The pilot has shown that accessibility to the survey would be improved by revising the language used in the questions from level 2 to level 1. The survey outcomes together with recently published research indicate that a five-point response to all questions would be most appropriate. The usefulness of a three-point survey, in terms of providing a robust performance measure for assessment needs to be considered.

Learner Destinations

What was achieved in the pilot?

A total of 165,000 priority learners were in scope for this performance indicator and the pilot was able to establish destinations for approximately 42 per cent of them. The LSC has developed a new methodology to match ILR (Individualised Learner Record) data and other datasets to track learners into positive destinations once their learning has been completed. These destinations were established through either matching their ILR into further learning or through telephone contact with the learner to confirm their current status. The LSC has developed an algorithm, built into a telephone survey, which determines whether a learner has moved onto a “positive” destination.

What the pilot revealed

A large-scale ticking of the L27 box within the ILR meant that around 18 per cent of learners could not be contacted¹. There were some providers for which a large proportion of learners had ticked the L27 box. This meant that a representative sample of learners could not be contacted for these providers. In other cases, learners’ contact details were incorrect to the extent that it did not allow a representative sample to be contacted. For these two reasons, a performance measure could not be calculated for 24 providers.

The matching of learners’ ILR data with other external datasets such as HM Revenue & Customs and HEFCE could not be completed because of data sharing restrictions and timing issues.

What needs to happen in the coming months?

Work with other government agencies will need to continue in order to establish a working protocol on the sharing of data, which will allow this performance indicator to be calculated more cost effectively, that is a smaller telephone survey required to contact non-matched learners. Version 3 (2010/11) of the Framework is likely to be the earliest that the full data will be available.

The LSC will be examining whether, and how best, to take account of learners’ ages and mode of learning (full time or part time), both of which appeared in the pilot to have a significant effect on the proportion of learners achieving a positive destination.

¹ The L27 box can be ticked by learners to indicate that they do not want marketing or research contacts made with them.

Annex 2 - Responsiveness to Employers KPA

Employer Views

What was achieved in the pilot?

An employer survey questionnaire was trialled using three methods: telephone, post and online. The pilot survey covered 60 providers and 15,000 employers over a set six-week period in November and December 2007. Four thousand employers responded to the survey. Surveys were carried out by either IFF, an experienced research company working with the LSC, or by the provider directly.

What the pilot revealed

Some providers had difficulty in supplying a sufficiently robust and up-to-date employer list to allow the survey to be conducted. It was not possible to determine the exact number of employers working with each provider, which in turn has made it difficult to determine the real response level for each provider.

Telephone contact with employers by IFF produced the highest response rate at 43 per cent and the online survey achieved the lowest at 4 per cent. Providers managing their own surveys achieved a 19 per cent response.

As with the learner views survey, providers' average scores were tightly clustered such that it was difficult to discriminate between them with statistical confidence.

What needs to happen in the coming months?

A decision needs to be taken on whether the cost of using an external agency to administer the survey is justifiable to achieve an expected higher response rate from employers. Alternatively, allowing providers to administer the survey using a cheaper method could lead to a poor response which would be inadequate and too unrepresentative on which to base a performance measure.

The LSC will explore whether alternative assessment criteria can lead to a more reliable method of discriminating between providers.

Also, further consideration is needed on how best to handle consortia in relation to employers' views. Some providers are concerned that these views are attributed to them when delivery is by another provider.

Amount of Training (formerly Fees and Volumes)

What was achieved in the pilot?

Considerable thought has been given to developing one or more measures which would capture the extent to which providers deliver training to employers and attract fees. Although there are several candidates, the LSC has not yet identified a single measure that can be applied across all providers.

The derivation of this performance measure is also beset by problems of data availability. For example, providers were asked to submit information on the amount of income generated in the last two financial years (to determine percentage growth). Only a small number of providers (mainly GFECs) produced the information required.

Towards the latter stages of the pilot the LSC has been focusing on measures relating to the volume of training, both the absolute number of learners and year on year growth. It is currently consulting with stakeholders and modelling available data.

What the pilot revealed

Presently only colleges supply the LSC with detailed financial records which allow any kind of analysis on employer generated income. Many private providers were either unable or unwilling to share sufficient financial information to enable a performance measure to be calculated. Generally, providers would need to record more detailed financial information to enable a performance measure to be derived.

There is currently no audit to validate the number of employers working with each provider. Also, large providers will be relatively advantaged if measures are based on absolute numbers (of employers or learners), while smaller providers are likely to benefit more if measures are based on growth.

What needs to happen in the coming months?

Further piloting of the new Amount of Training measures, which bases employer numbers on the number of learners linked with employment, will need to be undertaken.

Further work on developing assessment criteria which is 'provider neutral' will need to be developed, that is, assessment criteria does not advantage or disadvantage one provider type over another.

Annex 3 - Quality of Outcomes KPA

Success Rates Performance Indicator

What was achieved in the pilot?

The pilot successfully achieved a method of converting success rates for four programme types and value-added for A-levels into a learner-weighted performance measure. In other words, it creates a level playing field between providers irrespective of their mix of provision. This method also included a value added component for A-levels.

What the pilot revealed

Pilot providers expressed concern that Ofsted and the LSC applied different methods to calculate success rates and that this could lead to differences between Ofsted and Framework grades.

Ofsted and the LSC classify a few Apprenticeship frameworks in different Sector Subject Areas. This can lead to differences between Ofsted's and the LSC's Apprenticeship success rates when they are aggregated to SSA level. Whole institution level success rates and hence Framework success rates are not affected by these differences.

What needs to happen in the coming months?

The LSC has begun to investigate how Train to Gain provision can be incorporated into the Success Rates performance indicator for Version 1. Consideration needs to be given as to whether Success Rates should be measured and graded separately for 16-18 and 19+ provision, or if a combination of all learners will be sufficient.

Annex 4 - Quality of Provision KPA

Quality of Provision Performance Indicator

What was achieved in the pilot?

The pilot converted the provider's current Ofsted Overall Effectiveness (OE) grade (or Leadership and Management if OE was not available) directly into a grade for Quality of Provision.

What the pilot revealed

Because of the four-year inspection cycle, around half of inspection outcomes are over two-years old while one-quarter are over three years out of date. This raised the issue of whether this performance indicator should be weighted according to its currency.

What needs to happen in the coming months?

The Framework does not assess the same aspects of provision as the Common Inspection Framework so it is possible for the Framework's OPR to differ from Ofsted's Overall Effectiveness grade, even if it is relatively recent. The consequences of the OPR being satisfactory or better for a college or provider recently judged to be inadequate by Ofsted need to be considered.

Annex 5 - Financial Health KPA

Financial Health

What was achieved in the pilot?

For Financial Health the pilot has moved from the current three-point grading system (A,B,C) to a four-point system (outstanding, good, satisfactory, inadequate), as used for other performance indicators. The indicator has been based on three ratios using existing data and without direct input from providers, apart from attending development groups to help to model the changes. Additionally, it has been demonstrated that the Financial Health grading system can in principle be applied to all provider types within the pilot.

What the pilot revealed

Because of their borrowing requirement, providers undertaking a capital project are penalised to some degree under their Financial Health performance indicator. The LSC has attempted to compensate for this effect by introducing a capital component in the Use of Resources KPA.

What needs to happen in the coming months?

The LSC is reflecting further on whether providers that are going through a capital programme are being treated fairly under the Framework.

Annex 6 - Financial Control KPA

Financial Control

What was achieved in the pilot?

The pilot has introduced a new system to judge providers' Financial Control. The Financial Control Evaluation (FCE) document is completed by providers, and validated by the LSC's auditors. The FCE has replaced the Self-Assessment Risk Questionnaire (SARQ), Business Environment Questionnaire (BEQ) and Provider Control Risk Assessment (PCRA).

What the pilot revealed

The FCE document is time consuming to complete, and some providers, usually with complex accounting systems, were unable to complete the evaluation within the timescale.

LSC validation of providers' FCE documents will also be a time-consuming process, particularly if it is completed on an annual basis.

It was apparent that to carry out the assessment effectively, a wider range of factors need taking into account. In addition to operational controls this includes higher level governance and stewardship controls and examining providers' procedural arrangements. There is also the need to look at the application of, for example, financial reporting.

What needs to happen in the coming months?

Following the pilot, the LSC is reviewing the scope of, and process for, this KPA for 2008/09.

In order to ensure consistency, LSC teams (financial auditors) will require training before carrying out validation work.

Guidance for each provider type will need to be developed in order to support the completion of the FCE document.

Annex 7 - Use of Resources KPA

What was achieved in the pilot?

The Use of Resources KPA was approved only during the pilot period, and has undergone rapid development. A development group comprising many providers has proved a useful sounding board for the proposed indicators, particularly for shaping the 'Funding for a Successful Outcome' indicator. It has also helped to steer the development of the other indicators and has provided a useful challenge to the LSC team.

The pilot has laid good foundations to measure efficiency through the development of value for money measures, including the cost of a successful outcome and the cost per Standard Learner Number.

The LSC's Regional Property Advisers have used various sources of data to rate the condition of colleges' estates. In addition, a renewal assessment records the extent to which an estate has reached various levels of improvement. In combination, the condition and renewals assessments give an overall view of the estate.

What the pilot revealed

Not all of the four revenue-based performance measures can be applied to all provider types. For example, the performance measure based on cost comparisons was not applied to organisations covered by the National Employer Service or to work-based learning providers.

What needs to happen in the coming months?

The LSC will be giving further consideration to what value for money (efficiency) measures might be included within the Framework (or provided as a supplement to the Framework) to assist providers to performance manage their use of resources.

This KPA is key to the Finance Dimension as it looks at efficiency. It is still possible that there may be modifications to some of the measures in time for the release of Version 1 of the Framework.

Annex 8 – List of Providers

Names of the 100 providers who piloted the Framework for Excellence from summer 2007 until spring 2008 arranged by region.

East Midlands

Bilborough College
Boston College
Castle College
Chesterfield College
Derbyshire County Council Adult and Community Education
Loughborough College
North Nottinghamshire College
Portland College
Sheffield Trainers
Wyggeston and Queen Elizabeth I College

East of England

Bedford College
British Racing School
City College Norwich
Colchester Sixth Form College
Eagit Ltd, Norwich
Luton Borough Council, Adult Education
SEEVIC College
West Suffolk College

London

Capel Manor College
Chelmer Training
Christ the King Sixth Form College
City Lit
College of North East London
Four Counties Training
Kingston College
Lewisham College
The Mary Ward Centre, London
Leyton Sixth Form College
The Reynolds Group Ltd
South Thames College
University of the Arts London

North East

City of Sunderland College
NETA
Newcastle College
North East Chamber of Commerce, Trade & Industry
Northumberland County Council
Queen Elizabeth Sixth Form College
South Tyneside Metropolitan Borough Council

Stockton-on-Tees Borough Council, Training and Employment Services
Zodiac Training Ltd (Gateshead)

North West

Carmel College
Hanovia Style (Toni & Guy Academy)
Kendal College
Knowsley Community College
Loreto College
Manchester Training
Nelson and Colne College
The Oldham College
Pendleton Sixth Form College
Sir John Deane's College
St Helens College
Training 2000 Ltd

South East

Alton College
Basingstoke College of Technology
Bracknell and Wokingham College
Chichester College
East Surrey College
Eastleigh College
Godalming College
Hadlow College
Isle of Wight College
Mid-Kent College
Oxford and Cherwell Valley College
Portsmouth College
The Sixth Form College Farnborough
Sussex Downs College
Treloar College, Hampshire
VT Training

South West

City College, Plymouth
Gloucestershire College of Arts and Technology
Kingston Maurward College
Locomotivation Ltd.
North Devon College
Paragon Training (Dorset) Ltd
Richard Huish College
S & B Training Ltd, Bristol
Weston College

West Midlands

Burton College
Hereford Sixth Form College
Herefordshire Group Training Association

Joseph Chamberlain College
Midland Group Training Services Ltd
Rodbaston College
The Royal National College for the Blind, Hereford
Shrewsbury Sixth Form College
Telford College of Arts and Technology

Yorkshire and the Humber

Barnsley College
Bradford College
Calderdale College
Greenhead College
Harrogate College (Faculty of Leeds Metropolitan University)
The Consortium for Learning Limited
John Leggott Sixth Form College
Leeds College of Art and Design
NG Bailey & Co Ltd, Leeds
The Northern College for Residential Adult Education, Barnsley
Open Door Adult Learning Centre, Sheffield

National Employer Service

BMW Group Academy UK
British Gas Services Ltd
Carter and Carter plc